

_____ BILL NO. _____

INTRODUCED BY _____
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A PER-EDUCATOR ENTITLEMENT OF \$1,000 FOR EACH FULL-TIME EQUIVALENT EDUCATOR EMPLOYED BY A PUBLIC SCHOOL DISTRICT, A SPECIAL EDUCATION COOPERATIVE, THE MONTANA SCHOOL FOR THE DEAF AND BLIND, AND A STATE YOUTH CORRECTIONAL FACILITY; REQUIRING THE SUPERINTENDENT OF PUBLIC INSTRUCTION TO DISTRIBUTE THE PER-EDUCATOR ENTITLEMENT; AMENDING SECTIONS 20-9-306 AND 20-9-344, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Per-educator entitlement paid to state-funded K-12 schools and special education cooperatives. (1) (a) The state shall provide a total per-educator entitlement to:

- (i) public school districts, as defined in 20-6-101 and 20-6-701;
- (ii) special education cooperatives, as described in 20-7-451;
- (iii) the Montana school for the deaf and blind, as described in 20-8-101; and
- (iv) state youth correctional facilities, as defined in 41-5-103.

(b) A special education cooperative that has not met the requirements of 20-7-453 and 20-7-454 may not be funded under the provisions of this section except by approval of the superintendent of public instruction.

(2) The total per-educator entitlement for special education cooperatives, the Montana school for the deaf and blind, and state youth correctional facilities must be calculated as provided in 20-9-306 and distributed directly to those entities by the superintendent of public instruction in the same manner as the BASE aid payment is distributed in 20-9-344.

Section 2. Section 20-9-306, MCA, is amended to read:

"20-9-306. Definitions. As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

- (1) "BASE" means base amount for school equity.
- (2) "BASE aid" means:

1 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the
2 general fund budget of a district; ~~and~~

3 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement,
4 up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the
5 special education allowable cost payment; and

6 (c) the total per-educator entitlement.

7 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the
8 basic entitlement, 80% of the total per-ANB entitlement, 100% of the total per-educator entitlement, and up to
9 140% of the special education allowable cost payment.

10 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may
11 be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through
12 20-9-369.

13 (5) "BASE funding program" means the state program for the equitable distribution of the state's share
14 of the cost of Montana's basic system of public elementary schools and high schools, through county
15 equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in
16 support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

17 (6) "Basic entitlement" means:

18 (a) \$220,646 for each high school district;

19 (b) \$19,859 for each elementary school district or K-12 district elementary program without an approved
20 and accredited junior high school or middle school; and

21 (c) the prorated entitlement for each elementary school district or K-12 district elementary program with
22 an approved and accredited junior high school or middle school, calculated as follows:

23 (i) \$19,859 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of kindergarten
24 through grade 8; plus

25 (ii) \$220,646 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten through grade
26 8.

27 (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement
28 for the general fund budget of a district and funded with state and county equalization aid.

29 (8) "Maximum general fund budget" means a district's general fund budget amount calculated from the
30 basic entitlement for the district, the total per-ANB entitlement for the district, the total per-educator entitlement

1 for the district, and the greater of:

2 (a) 175% of special education allowable cost payments; or

3 (b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures
4 to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a
5 maximum allowable ratio of 200%.

6 (9) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted
7 that is above the BASE budget and below the maximum general fund budget for a district.

8 (10) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations:

9 (a) for a high school district or a K-12 district high school program, a maximum rate of \$5,371 for the
10 first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800
11 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

12 (b) for an elementary school district or a K-12 district elementary program without an approved and
13 accredited junior high school or middle school, a maximum rate of \$4,031 for the first ANB is decreased at the
14 rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess
15 of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

16 (c) for an elementary school district or a K-12 district elementary program with an approved and
17 accredited junior high school or middle school, the sum of:

18 (i) a maximum rate of \$4,031 for the first ANB for kindergarten through grade 6 is decreased at the rate
19 of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving
20 the same amount of entitlement as the 1,000th ANB; and

21 (ii) a maximum rate of \$5,371 for the first ANB for grades 7 and 8 is decreased at the rate of 50 cents
22 per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800
23 receiving the same amount of entitlement as the 800th ANB.

24 (11) "Total per-educator entitlement" means the entitlement resulting from multiplying \$1,000 by the
25 number of full-time equivalent educators, as reported to the office of public instruction for accreditation purposes
26 in the previous school year, each of whom:

27 (a) holds a valid certificate under the provisions of 20-4-106 and is employed by an entity listed in
28 [section 1] in a position that requires an educator license in accordance with the administrative rules adopted
29 by the board of public education; or

30 (b) (i) is a licensed professional under 37-8-405, 37-8-415, 37-11-301, 37-15-301, 37-23-201, 37-24-301,

1 or 37-25-302; and

2 (ii) is employed by an entity listed in [section 1] to provide services to students."

3
4 **Section 3.** Section 20-9-344, MCA, is amended to read:

5 **"20-9-344. Duties of board of public education for distribution of BASE aid.** (1) The board of public
6 education shall administer and distribute the BASE aid and state advances for county equalization in the manner
7 and with the powers and duties provided by law. The board of public education:

8 (a) shall adopt policies for regulating the distribution of BASE aid and state advances for county
9 equalization in accordance with the provisions of law;

10 (b) may require reports from the county superintendents, county treasurers, and trustees ~~as~~ that it
11 considers necessary; and

12 (c) shall order the superintendent of public instruction to distribute the BASE aid on the basis of each
13 district's annual entitlement to the aid as established by the superintendent of public instruction. In ordering the
14 distribution of BASE aid, the board of public education may not increase or decrease the BASE aid distribution
15 to any district on account of any difference that may occur during the school fiscal year between budgeted and
16 actual receipts from any other source of school revenue.

17 (2) The board of public education may order the superintendent of public instruction to withhold
18 distribution of BASE aid from a district when the district fails to:

19 (a) submit reports or budgets as required by law or rules adopted by the board of public education; or

20 (b) maintain accredited status.

21 (3) Prior to any proposed order by the board of public education to withhold distribution of BASE aid or
22 county equalization money, the district is entitled to a contested case hearing before the board of public
23 education, as provided under the Montana Administrative Procedure Act.

24 (4) If a district or county receives more BASE aid than it is entitled to, the county treasurer shall return
25 the overpayment to the state upon the request of the superintendent of public instruction in the manner
26 prescribed by the superintendent of public instruction.

27 (5) Except as provided in 20-9-347(2), the BASE aid payment must be distributed according to the
28 following schedule:

29 (a) from August to October of the school fiscal year, 10% of the direct state aid and total per-educator
30 entitlement to each district;

(b) from December to April of the school fiscal year, 10% of the direct state aid and total per-educator entitlement to each district;

(c) in November of the school fiscal year, one-half of the guaranteed tax base aid payment to each district or county that has submitted a final budget to the superintendent of public instruction in accordance with the provisions of 20-9-134;

(d) in May of the school fiscal year, the remainder of the guaranteed tax base aid payment to each district or county; and

(e) in June of the school fiscal year, the remaining payment to each district of direct state aid and total per-educator entitlement.

(6) The distribution provided for in subsection (5) must occur by the last working day of each month."

NEW SECTION. Section 4. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 20, chapter 9, part 3, and the provisions of Title 20, chapter 9, part 3, apply to [section 1].

NEW SECTION. Section 5. Effective date. [This act] is effective July 1, 2006.

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